

# **FISCAL NOTE**

## **HB 3430 - SB 3356**

February 26, 2004

**SUMMARY OF BILL:** Exempts all state funds available to any local education agency (LEA) from the county trustee's commission.

Present law limits the trustee's commission on state school funds to the levels established in 1991-92, which was the year the basic education program was enacted. The trustee presently receives a commission of 1%. This bill will eliminate the trustee's commission on state education funds.

### **ESTIMATED FISCAL IMPACT:**

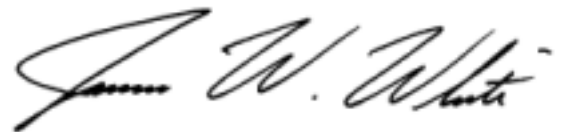
**Other Fiscal Impact - Shift in funds from the General Fund of counties of approximately \$6,800,000 to their General Purpose School Fund**

Estimate assumes:

- The bill does not affect total county revenues or expenditures; however, it does result in a significant reallocation of funds between the General Fund of counties and their General Purpose School Fund.
- Trustees in Tennessee earn commissions that exceed the cost to operate the office, and such excess commissions are transferred to the general fund of the county.
- By eliminating the trustee's commission, revenues would be reduced in county general funds by approximately \$6,800,000 and available funds in the Tennessee school systems would be increased by a corresponding amount.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

**HB 3430 - SB 3356**